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February 1, 2000

Jennifer H. Boyt
Office of the General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463

RE: MUR 4953 Joint Response for U.S. Family Network, Republican Majority
Issues Committee, Ed Buckham, Bob Mills, Karl Gallant, Jim Ellis, Dick
DeVos and Betsy DeVos.

Dear Ms. Boyt:

Please find enclosed the above respondents statement for finding that there is no reason to believe that a violation of the Act has occurred in MUR 4953 for filing. I would appreciate it if you would date-stamp and return one copy in the enclosed SASE.

Sincerely

James R. Mason, III

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL
FEB 2 10 36 AM '00

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February 1, 2000

Office of General Counsel
Federal Election Commission
Sixth Floor
999 E Street, N.W.
Washington, D.C. 20463

Re: MUR 4953-- Joint Response for
U.S. Family Network, Republi-
can Majority Issues Committee,
Ed Buckham, Bob Mills, Karl
Gallant, Jim Ellis, Dick DeVos
and Betsy DeVos.

Dear Commissioners:

Respondents appreciate the opportunity to demonstrate why the Commission should find that there is no reason to believe that a violation of the Federal Election Campaign Act of 1971, as amended (FECA or the "Act"), has occurred or is about to occur, in connection with the lawful activities that are the target of this baseless complaint.¹

I. Introduction

Based on a one-sided reading of a single inside-the-beltway newspaper article,² the complainant has built a house of cards complaint that has no foundation in the law. Neither the U.S. Family Network nor the Republican Majority Issues Committee are "political committees" under the Act or the FEC's regulations. Furthermore, they are not "affiliated" with each other or with the National Republican Congressional Committee. At their furthest reach, none of the factual allegations in the complaint, even if true, would establish any violation of the Act by any respondent.

¹Americans for Economic Growth had not been served at this writing. Its response will be submitted at a later date.

²Jim VandeHei, *NRCC's \$500,000 Donation Linked to DeLay Advisors*, Roll Call, Dec. 6, 1999.

As for the individual respondents, Ed Buckham, Bob Mills, Karl Gallant, and Jim Ellis, the complaint contains no allegation of wrongdoing at all on their part. To the extent that they are relevant to this MUR, it is only insofar as the complaint attempts to establish affiliation between the respondent organizations by casting a false-sinister light on the well-known fact that three of the individuals at some time in their careers had a formal work relationship with Representative Tom Delay. By the complainant's erroneous "corruption of the blood" test every organization that employed a former congressional staffer would be "affiliated" with every other organization that also employed a former staffer. For example, take David Plouffe, the Executive Director of the Democratic Congressional Campaign Committee, and signor of this complaint:

As a further sign of his maneuvering, Gephardt has been adding political heft to his staff. He recently hired as his deputy chief of staff David Plouffe, who has run successful campaigns in Iowa and New Jersey. And he has signed up two senior policy advisers with extensive political experience: Marta David, a former top political organizer for the AFL-CIO, and Frederick Humphries, a lobbyist for the American Medical Association who is well-regarded among African American political operatives.

Kevin Merida, *Gephardt Builds Foundation for the House--Maybe the White House*, Wash. Post, April 4, 1997 at A06. According to the standard David Plouffe advances in his complaint, his own career is *prima facie* evidence that the DCCC, the Iowa and New Jersey campaigns for unspecified candidates for federal office, Representative Gephardt's campaign, the AFL-CIO and the AMA are all "affiliated" under the Act. If he were correct, the FEC would be a very busy place indeed. He is not correct and neither his career nor the careers of the respondent individuals establish affiliation.

The Democratic complainant's chief complaint against Dick and Betsy DeVos appears to be that they are perceived to be "major Republican contributors." Complaint at 3. While this perception is no doubt distressing to the complainant it is not a violation of the Act. Neither is hosting a fundraising event for a grass roots, ideological organization in an off-election year. Moreover, the complaint's assertion that affiliation of committees that are not political committees under 11 C.F.R. § 100.5 with federal political committees results in the non-federal committee being required to "comply with the source restrictions and contribution limits of the Act" is contrary to principles of federalism, contrary to the plain meaning of the Act's anti-proliferation statute and is patently absurd.

The only thing right about this complaint is the need for the Commission to act swiftly,³ albeit to dismiss this overt abuse of the Commission's processes by bringing a frivolous

³Complaint at 6.

complaint designed for no other purpose than to harass and to intimidate groups that disagree with complainant on public issues.

II. U.S. Family Network and Republican Majority Issues Committee are not "Political Committees."

One of the many egregious deficiencies in the complaint is the utter disregard—or intentional ignorance—it shows for well-established legal authority regarding the definition of "political committee" under the Act. The complaint advances the broadest possible interpretation of the definitions of "contribution" and "expenditure"⁴ without acknowledging or discussing the constitutionally-mandated narrowing construction imposed on those terms by the Supreme Court in *Buckley v. Valeo*, 421 U.S. 1 (1976), and by several lower courts, which have followed *Buckley's* narrow definition while evaluating similar provisions of state law.

The FECA defines "political committee" as "any committee, club, association, or other group of persons which receives contributions aggregating in excess of \$1,000 during a calendar year or which makes expenditures aggregating in excess of \$1,000 during a calendar year." 2 U.S.C. § 431(4)(A). In *Buckley*, the Supreme Court narrowly construed this definition, holding that under the FECA an organization is a political committee only if it is under the control of a federal candidate or if its major purpose is the nomination or election of a federal candidate. *Id.* at 79-80. Furthermore, when an organization's speech is the focus, the Court unequivocally held that the Act reaches "only funds used for communications that expressly advocate the election or defeat of a clearly identified candidate." *Id.* at 80. For purposes of the Act, "express advocacy" is a narrow range of speech indeed. *See id.* at n.108, and at 44 n. 52.⁵

⁴See Complaint at 4, "[B]y making contributions or expenditures in connection with Federal elections, as they are clearly designed to do, the outside groups themselves incur registration and reporting obligations with the Commission."

⁵Numerous federal courts have faithfully adhered to the "explicit" or "express" words of advocacy test to limit government regulation of political speech. *See FEC v. Massachusetts Citizens for Life, Inc.*, 479 U.S. 238 (1986); *Iowa Right to Life Comm., Inc. v. Williams*, 187 F.3d 963 (8th Cir. 1999); *Brownsburg Area Patrons Affecting Change v. Baldwin*, 137 F.3d 503 (7th Cir. 1998); *FEC v. Christian Action Network*, 110 F.3d 1049 (4th Cir. 1997); *Maine Right To Life Comm. v. FEC*, 914 F. Supp. 8 (D. Maine 1996), *aff'd per curiam*, 98 F.3d 1 (1st Cir. 1996); *Faucher v. FEC*, 928 F.2d 468 (1st Cir. 1991); *FEC v. Central Long Island Tax Reform Immediately Comm.*, 616 F.2d 45 (2d Cir. 1980)(*en banc*); *Virginia Soc'y for Human Life, Inc. v. FEC*, No. 3:99CV559, (E.D. Va., Jan. 4, 2000); *FEC v. Christian Coalition*, 52 F. Supp.2d 45 (D.D.C. 1999); *Kansans for Life, Inc. v. Gaede*, 38 F. Supp.2d 928 (D.Kan. 1999); *Right to Life of Mich., Inc. v. Miller*, 23 F. Supp.2d 766 (W.D. Mich. 1998); *Planned Parenthood Affiliates of*

An organization's "major purpose" may be demonstrated by its public statements of its purpose, or by its expenditures to or for the benefit of a *particular* candidate. *FEC v. GOPAC, Inc.*, 917 F.Supp. 851, 859 (D.D.C. 1996). Spending in support of "partisan politics" or "electoral activity" generally, divorced from actual federal candidates, does not convert an organization into a political committee under the Act. *Id.* at 862. *See also, FEC v. Machinists Non-Partisan Political League*, 655 F.2d 380, 392 (D.C. Cir. 1981)(holding that an organization does not become a political committee under the Act unless or until it makes expenditures advocating the election of "a person who has decided to become a candidate."). Thus, the Act as construed to comport with the rigorous restrictions on government power imposed by the First Amendment draws two bright lines to be applied to determine whether an organization is a political committee:

[F]irst, the line between state and federal candidates, derived from the plain meaning of the Act and traditional principles of federalism, *see* 2 U.S.C. § § 431(4)(A), 431(8)(A)(i), 431(9)(A)(i); and second, the line between an organization whose major purpose was to support a particular federal candidate or candidates and an organization whose major purpose did not involve support for any particular federal candidate, either because there was no candidate running at the time, *see Machinists*, 655 F.2d at 392, or because the support was not directed at the election of any particular candidate but was more in the nature of general party support.

GOPAC, 917 F.Supp at 862.

Relying on *Buckley's* constitutionally-mandated definition of "political committee," the Fourth Circuit recently held unconstitutional a state statute that defined "political committee" as a group "the primary or incidental purpose of which is to support or oppose any candidate . . . or to influence or attempt to influence the result of an election." *North Carolina Right to Life, Inc. v. Bartlett*, 168 F.3d 705, 713 (4th Cir. 1999). The Court held that the definition clearly violated

Mich., Inc. v. Miller, 21 F. Supp.2d 740 (E.D. Mich. 1998); *Right to Life of Dutchess County, Inc. v. FEC*, 6 F. Supp.2d 248 (S.D.N.Y. 1998); *Clifton v. FEC*, 927 F. Supp. 493 (D. Maine 1996), *aff'd on other grounds*, 114 F.3d 1309 (1st Cir. 1997); *West Virginians for Life, Inc. v. Smith*, 919 F. Supp. 954 (S.D.W.Va. 1996); *FEC v. Survival Educ. Fund, Inc.*, 1994 WL 9658 (S.D.N.Y. Jan. 12, 1994), *aff'd in part and rev'd in part on other grounds*, 65 F.3d 285 (2d Cir. 1995); *FEC v. Colorado Republican Fed. Campaign Comm.*, 839 F. Supp. 1448 (D. Colo. 1993), *rev'd*, 59 F.3d 1015 (10th Cir. 1995), *vacated and remanded on other grounds*, 116 S. Ct. 2309 (1996); *FEC v. NOW*, 713 F. Supp. 428 (D.D.C. 1989); *FEC v. AFSCME*, 471 F. Supp. 315 (D.D.C. 1979); *cf. FEC v. Furgatch*, 807 F.2d 857 (9th Cir. 1987).

Buckley's narrow definition because it included those groups who "merely wish to influence an election— i.e., engage in issue advocacy." *Id.* With these bright-line distinctions in mind, it is self-evident that neither RMIC nor U.S. Family Network are "political committees" under the Act.

A. Republican Majority Issues Committee

RMIC is a nonprofit ideological corporation and was incorporated in the Commonwealth of Virginia on May 11, 1999. *See* Certificate of Incorporation, Attachment 1. Its corporate purposes are fully set out in Section 2 of its bylaws. *See Bylaws*, Attachment 2.

The specific and primary purposes for which this corporation is formed and for which it shall be exclusively administered and operated are to receive, administer and expend funds in connection with the following:

1. To encourage support, among the general public, for the conservative issues, policies and programs being advocated by the Republican majority in Congress;
2. To engage in non-partisan voter education, registration and get out the voter activities in conjunction with federal elections;
3. To engage in any activities related to federal elections that are authorized by and are consistent with Section 527 of the Internal Revenue Code except that the corporation shall not:
 - (a) expressly advocate the election or defeat of any clearly identified candidate for public office, or
 - (b) make any contribution to any candidate for public office; and
4. To engage in any lawful activities incidental to the foregoing purposes except as restricted herein.

By its own terms, the complaint establishes that RMIC is not a political committee. There is no allegation that RMIC has ever made a contribution to or expenditure for the benefit of any federal candidate, either of which would be *ultra vires* acts. The only "allegation" the

complaint purports to make in this regard is to repeat RMIC's publicly stated goal "to spend as much as \$25 million on *grassroots campaigns* and *issue advertisements* in the most competitive Congressional districts[.]" Complaint at 3 (emphasis added). Under the long-standing, well-established Supreme Court and other authority cited above, RMIC's stated purposes do not amount to the activities of a political committee.

1. Dick and Betsy DeVos

The blunderbuss approach of this complaint proves only that the complainant is capable of reading a newspaper article and identifying those who disagree with it on public issues. Based on slipshod legal analysis and conclusory allegations, the complainant apparently names Dick and Betsy DeVos as respondents in this MUR on the specious ground that hosting RMIC's inaugural event in May of 1999, 18 months before a federal election, is evidence that they violated aggregate personal contribution limits. Complaint at 4. Because RMIC was not then and is not now a "political committee" under the Act, whatever donations the DeVos's may have made to RMIC, if any, were not "contributions" as a matter of law and would not count against their personal aggregate limits.

B. U.S. Family Network

The U.S. Family Network is a nonprofit ideological corporation. It was incorporated in the Commonwealth of Virginia on November 12, 1996. See, Articles, Attachment 3. Its organizational purposes are to conduct research and studies programs, a public information/education program and a legislation support program. See *Articles* at Article II; Attachment 3. None of these activities amount to those of a "political committee." Furthermore, neither the allegations of the complaint nor the newspaper report on which it is based -- it's difficult to tell the two apart-- even remotely suggest that U.S. Family Network is now or has ever been a political committee.

The complaint's only allegation regarding U.S. Family Network is that it received a donation from NRCC in the fall of 1999, which was duly reported to this Commission by the NRCC in its regular report. As reported in the newspaper article, Bob Mills, who runs the U.S. Family Network, stated that he intended to use the money to promote a "pro-family bill of rights." VandeHei, *NRCC's \$500,000 Donation*, at 12. Dan Mattoon, deputy chairman of the NRCC stated that "There were no strings attached to the money, other than we wanted them to know that these types of pro-family agenda items . . . are very important to our coalition and our success at the polls." *Id.* In other words, these public statements indicate that NRCC made the donation to U.S. Family Network more than a year before a federal election to associate with and

to support a group it agrees with on the issues.⁶ There are no allegations or evidence that U.S. Family Network has ever made a contribution to or expenditure for the benefit of any federal candidate. Therefore, U.S. Family Network is not a political committee and it is not subject to the registration or reporting requirements of the Act, contrary to the assertions in the complaint.

III. U.S. Family Network and Republican Majority Issues Committee are not "Affiliated" with the NRCC.

Along with its many other deficiencies, the complaint in this MUR has confused the distinction between constitutionally protected political association with the statutory and regulatory restrictions on contributions made by political committees that are under the direction and control of the same organization. Relying on a "corruption of the blood" theory, Mr. Plouffe, in his complaint, alleges that RMIC and U.S. Family Network are under the direction and control of NRCC and Representative DeLay because Ed Buckham and Karl Gallant once worked for DeLay. According to this theory, once a person becomes a congressional staff member they are forever tainted and all of their subsequent professional activities likewise taint the organizations with which they come in contact.

Under this erroneous theory, Mr. Plouffe himself is a tainted man. Consider the widely reported activities of the country's largest labor organizations a scant 3 months before RMIC incorporated:

Organized labor leaders, hoping to reclaim the House for Democrats and influence other political campaigns, agreed Wednesday [February 17, 1999] to pour more than \$40 million into the 2000 elections and start spending the money earlier than ever.

A measure approved by the AFL-CIO executive council at its winter meeting in Miami requests each affiliate union to donate \$1 per member – about \$13.5 million a year for two years– to mobilize union voters.

* * * * *

⁶Furthermore, while not relevant to respondent U.S. Family Network, the stark differences between the allegations in this case and the facts in *FEC v. California Democratic Party*, 13 F.Supp. 2d 1031 (E.D. Cal 1998) ("*CDP*") make it clear that the NRCC's donation was not subject to the allocation requirements in 11 C.F.R. §106.5. In *CDP*, the California Democratic Party essentially hired an outside group to register only Democrats in the months immediately preceding the general election.

McEntee [president of AFSCME] told reporters after the private vote that none of the AFL-CIO money will go to candidates or political parties. Instead, he said, it will pay for telephone banks, flyers at workplaces, newsletters, mailings and television advertising to educate union and minority voters about key legislative issues in a drive that will start almost immediately.

Ron Fournier, *Labor plans to spend \$40M on campaign 2000*, Associated Press, February 18, 1999. The stated objective for the money the unions are raising is to target "35 marginal congressional districts and 20 states" which "were chosen because of their strategic importance in the presidential campaign and the once-a-decade redistricting process." *Id.* Furthermore, "[u]nions in the targeted areas will launch massive communications efforts to tell voters how their politicians stand on labor's laundry list of issues[.]" *Id.*

The indignant tone of Mr. Plouffe's complaint is either feigned or false in view of the fact that Mr. Plouffe's former boss, Representative Gephardt, participated in the unions' fundraising strategy session:

House Minority Leader Richard Gephardt of Missouri, who by-passed a presidential bid to seek the speaker's chair, addressed a private session of the executive council, looking for early money and organizational support.

Id. What's more, the Democratic Party's two presidential contenders, Vice President Gore and former Senator Bill Bradley also addressed the union's Campaign 2000 strategy summit. *Id.*

Intellectual honesty would suggest that Mr. Plouffe should have included himself in this complaint based on his past employment with Representative Gephardt, the powerful Minority Leader and man-who-would-be-speaker, as well as Representative Gephardt himself, the DCCC (based on Mr. Plouffe's current employment and Rep. Gephardt's position) the unions, as well as Vice President Gore and Senator Bradley based on nothing more than their appearance at the summit.⁷ Mr. Plouffe's complaint is frivolous and his own activities indicate that he knows it.

Fortunately, the law requires more than Mr. Plouffe's conclusory allegations regarding a person's resume. In *FEC v. Sailor's Union*, 828 F.2d 502, 506 (9th Cir. 1987), the Ninth Circuit concluded that the "anti-proliferation rule" in 2 U.S.C § 441a(a)(5) requires that one organization

⁷This last group corresponding to Mr. Plouffe's allegations against Dennis Hastert, Dick Arney and J.C. Watts, who are alleged to have done nothing more than attend RMIC's inaugural fundraiser.

must have actual authority over another before the statute applies. Mere association is not enough. See *Michigan State AFL-CIO v. Miller*, 891 F.Supp. 1210 (E.D. Mich 1995), *rev'd in part* 103 F.3d 1240 (6th Cir. 1996). Furthermore, this determination cannot be made without "examining the organization division of power," *Sailor's*, 828 F.2d at 506, by looking to the organizations' constitutions "to determine the *degree of control*" one organization exercises over another. *Id.* at 507 (emphasis added).

As previously discussed, both RMIC and U.S. Family Network are independent, nonprofit corporations. Neither organizations' bylaws indicate any relationship, either formal or informal, with the NRCC, any political party or Member of Congress, either in its establishment, maintenance, financing or operation. Each is under the exclusive control of its own Board of Directors, who are limited by the corporation's articles and bylaws to carrying out the corporation's limited purposes. Neither corporation's statement of purposes includes making contributions or expenditures in connection with federal elections. Accordingly, neither organization is under the direction or control of the NRCC or Representative DeLay any more than the AFL-CIO is under the direction or control of the DCCC or Representative Gephardt.

IV. Because Neither RMIC nor U.S. Family Network Make "Contributions" the Anti-Proliferation Statute is not even Implicated.

RMIC and U.S. Family Network are not "affiliated committees" as that phrase is used in the Commission's regulations, but even if they were, the allegations in the complaint would not amount to a violation of the Act. According to the "anti-proliferation rules" in 2 U.S.C. § 441a(a)(5), "all *contributions* made by *political committees* established or financed or maintained or controlled by [an organization] shall be considered to have been made by a single political committee." (Emphasis added). As previously discussed, neither RMIC nor U.S. Family Network are "political committees," in part, because neither make contributions in connection with a federal election. Indeed, in the case of RMIC, its bylaws specifically prohibit it from making contributions, either directly, *Bylaws*, Section 2(3)(b), or by making coordinated expenditures with any political party, political committee or federal office holder or candidate. *Id.* at Section 4, Attachment 2 at 5. Where an organization makes no "contributions" under the Act, the "anti-proliferation" statute is not even implicated.

The Commission's regulations at 11 C.F.R. § § 100.5 and 110.3 are not to the contrary. While its true that § 110.3 says "all contributions made or received by more than one affiliated committee, regardless of whether they are political committees under 11 CFR 100.5, shall be considered to be made or received by a single political committee," that passage must be viewed in the context of the Commission's Advisory Opinions that were its genesis. As the Commission explained in *Affiliated Committees, Transfers, Prohibited Contributions, Annual Contribution Limits and Earmarked Contributions*, 54 Fed. Reg. 34,098, 099, this passage arose to clarify a frequently occurring situation in Advisory Opinions 1987-12, 1985-2, 1984-46 and 1982-52.

Each of those AO's involved a question by a state office holder who controlled a state committee and a federal political committee and wished to transfer funds from the state account to the federal political committee. AO 1987-12 is representative. In that case, a County Board Chairman intended to run for Congress and asked about the consequences of transferring funds from his state committee, which contained some money raised from sources and in amounts that would be violations of the Act if it was in his federal account, to his federal committee. The Commission first noted that because both committees were under his control they were "affiliated."

One consequence of transferring funds in an amount greater than \$1,000 would have been to make the state committee into a federal political committee and *thereafter* subject to the Act. Nothing in these advisory opinions suggests, however, that simultaneous maintenance of an affiliated state committee and a federal political committee resulted in federal source and amount restrictions being imposed on the state committee *before* it became a federal political committee under the Act, contrary to the complaints' assertions. Another consequence of a state committee becoming a federal political committee would be a requirement that only those individual contributions that in the aggregate were less than \$1,000 to both committees could be used in connection with a federal election. *Id.*

While these AO's have been superseded by subsequent rules,⁸ the principles they embrace are nonetheless relevant. Consider the common situation of an organization that maintains a general treasury account, an internal account for use in connection with state and local elections and an internal federal political committee. Under § 110.3, these accounts would be "affiliated" because they are under the direction or control of the same organization. However, so long as the state account did not become a federal political committee, it would be permissible for it to raise funds in accordance with state law.

Furthermore, it would be permissible for the state account to make a contribution to a candidate in an amount less than \$1,000 without registering or reporting as a political committee, but that contribution would be required to be aggregated with any contribution made by the affiliated federal political committee for purposes of contribution limits to a candidate. But if the state account never made any contribution in connection with a federal election, it would not be a political committee under the Act, and there would be *no* "contributions" to aggregate with the affiliated federal political committee. The state committee would be free to raise and spend money in accordance with state law without implicating the anti-proliferation statute or regulations. To hold otherwise would be to impose federal restrictions on exclusively state activity.

⁸Since the rulemaking addressing these AO's, former 11 CFR § 110.3(c)(6) has been superseded by § 110.3(c)(7)(d), which forbids the previously allowed transfers between a candidate's state committee and federal committee.

Office of General Counsel
February 1, 2000
Page 11

See GOPAC, 917 F.Supp at 862. The Commission has never applied the anti-proliferation statute or regulations in this manner.

Thus, for purposes of this MUR, the complainant's allegations of "affiliation" are irrelevant. Because neither RMIC nor U.S. Family Network make "contributions" or "expenditures" in connection with federal elections, they are not governed by the Act's source or amount restrictions and their donors' aggregate individual limits under the Act would not be effected. The complaint in this regard fails to state a reason to believe that RMIC or U.S. Family Network have violated the Act even if one were to assume *arguendo* that they were affiliated with a federal political committee.

Conclusion

For all of the foregoing reasons the Commission should conclude that there is no reason to believe that a violation of the Act has occurred or is about to occur.

Sincerely,

BOPP, COLESON & BOSTROM

James Bopp, Jr.
James R. Mason, III

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond, May 11, 1999

This is to Certify that the certificate of incorporation of

REPUBLICAN MAJORITY ISSUES COMMITTEE, INC.

was this day issued and admitted to record in this office and that the said corporation is authorized to transact its business subject to all Virginia laws applicable to the corporation and its business. Effective date: May 11, 1999



State Corporation Commission

Attest:

Joel H. Beck

Clerk of the Commission

**BYLAWS OF
REPUBLICAN MAJORITY ISSUES COMMITTEE, INC.**

**ARTICLE I
Purpose**

Sect. 1. Name

The name of the Corporation shall be REPUBLICAN MAJORITY ISSUES COMMITTEE, INC.

Sect. 2. Purpose

The specific and primary purposes for which this corporation is formed and for which it shall be exclusively administered and operated are to receive, administer and expend funds in connection with the following:

1. To encourage support, among the general public, for the conservative issues, policies and programs being advocated by the Republican majority in Congress;

2. To engage in non-partisan voter education, registration and get out the voter activities in conjunction with federal elections;

3. To engage in any activities related to federal elections that are authorized by and are consistent with Section 527 of the Internal Revenue Code except that the corporation shall not:

- (a) expressly advocate the election or defeat of any clearly identified candidate for public office, or
- (b) make any contribution to any candidate for public office; and

4. To engage in any and all lawful activities incidental to the foregoing purposes except as restricted herein.

Sect. 3. Annual Meeting

The annual meeting of the Corporation shall be in January of each year.

Sect. 4. Fiscal Year

The fiscal year of the Corporation shall be January 1 to December 31.

ARTICLE II
Members

Sect. 1. Members

The Corporation shall have no members except the members of the Board of Directors.

ARTICLE III
Board of Directors

Sect. 1. Powers of the Board of Directors

Except as otherwise required by law, as provided in the Articles of Incorporation and these Bylaws, all details of the operation and management of the Corporation and its affairs and property is vested with the members to the Board of Directors.

Sect. 2. Membership of Board of Directors

The Board of Directors shall initially consist of three members who shall serve until the first annual meeting, or until a successor has been duly elected and qualified. The members of the Board shall be selected pursuant to Section 3. The Board may expand the number of members of the Board by resolution, but in no case will the number of members be less than three.

Sect. 3. Selection of certain members of the Board of Directors

The members of the Board of Directors shall be selected at the annual meeting. At the first annual meeting of the Board of Directors, one-third of the members of the Board shall be elected for a one year term, one-third of the members of the Board shall be elected for a two year term, and one-third of the members shall be elected for a three year term. The initial members of the Board of Directors specified in the Articles of Incorporation shall serve until the first annual meeting of the Board. At subsequent annual meetings, Directors shall be elected for three year terms. The Board of Directors shall fill any vacancy, for the unexpired portion of a Director's term, at any duly called meeting of the Board of Directors.

Sect. 4. Meetings of the Board of Directors

The Board of Directors shall meet annually in January and at such other regular Board meetings as determined by the Board at the initial meeting of the Board and at any subsequent annual meeting. In addition, a special meeting of the Board may be called by two members of the Board of Directors, or by one of the Co-Chairman of the Board, upon ten days notice. A quorum shall constitute a majority of the Directors.

Sect. 5. Telephone Meetings

Any or all directors may participate in a meeting of the Board of Directors by use of conference telephone or similar communication equipment by means of which all persons participating in the meeting may simultaneously hear each other during the meeting, and participation in such meeting shall constitute presence in person at such a meeting.

Sect. 6. Action Without a Meeting

Any action required or permitted to be taken at a meeting of the Board of Directors may be taken without a meeting, upon the written consent of all of the directors. The action must be evidenced by the written consent of each director to the taking of action without a meeting which written consent shall also indicate the director's vote on the action. Action taken under this section may be treated as a meeting of the Board of Directors and shall have the same effect as action taken at a meeting. The written consents provided for in this section shall be included in the minutes of the meeting at which the action under this section is taken. Any action taken under this section shall be effective when the last director signs the consent, unless the consent specifies a different effective date.

Sect. 7. Removal of a Member of the Board of Directors

A member of the Board of Directors may be removed by majority vote of the Board of Directors, with or without cause, at any regular or special meeting of the Board, provided that written notice of the proposed removal is mailed to the Director at least ten days prior to the meeting at which the removal will be proposed.

ARTICLE IV Officers

Sect. 1. Officers of the Corporation

The Officers of the Corporation shall be the Co-Chairmen, and Secretary-Treasurer. The Co-Chairmen and Secretary-Treasurer shall be members of the Board.

Sect. 2. Powers of Officers

The duties of the Officers shall be as follows:

(a) The Co-Chairmen shall preside at all meetings of the Board of Directors, shall appoint committees, shall direct the day to day activities of the Corporation in conformance with the Articles of Incorporation, Bylaws and resolutions of the Board of

Directors, and shall perform all other duties incident to this office.

(b) The Secretary-Treasurer shall keep an accurate record of the proceedings of the meetings of the Board of Directors, shall receive and safely keep all funds of the Corporation, shall make approved disbursements, and shall maintain an accurate accounting of all financial transactions.

Sect. 3. Election of Officers

The Board of Directors shall elect the Officers at the annual meeting. Officers shall serve two year terms, or until a successor has been duly elected and qualified.

Sect. 4. Removal of Officers

An Officer may be removed by majority vote of the Board of Directors, with or without cause, at any regular or special meeting of the Board, provided that written notice of the proposed removal is mailed to the officer at least ten days prior to the meeting at which the removal will be proposed.

ARTICLE V Indemnification

Sect. 1. General

The Corporation shall indemnify any person serving as an officer or director of the Corporation from and against any claim, costs or liability asserted against him or her as a result of his or her service as an officer or director, in accordance with the terms, conditions and procedures and to the fullest extent permitted by law, as may be in effect from time to time.

Sect. 2. Insurance

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee, or agent of the Corporation, or who, while a director, officer, employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, partner, trustee, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against any liability asserted against him or incurred by him in any such capacity or arising from his status as such, whether or not the Corporation would have the power to indemnify him against such liability under the provisions of this Article.

ARTICLE VI
Provisions for Regulation
and Conduct of the Affairs of Corporation

Sect. 1. Prohibition of Distribution to Private Persons

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributed to, its members, Directors, Officers, or other private persons, except that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II hereof.

Sect. 2. Prohibition of Activities not Permitted by Exempt Organizations

Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activities not permitted to be carried on by a Corporation exempt from Federal Income Tax under Section 527 of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law).

Sect. 3. Distribution of Property Upon the Voluntary or Involuntary Dissolution of the Corporation

Upon the voluntary or involuntary dissolution of the Corporation the Board of Directors, shall, after paying or making provision for payment of all of the liabilities of the Corporation, dispose of all assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such organization or organizations organized and operated exclusively for purposes as shall at the time qualify as an exempt organization or organizations under Section 527 of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Internal Revenue Law), as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by a Court of competent jurisdiction in the county in which the principle office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said Court shall determine, which organization organized and operated exclusively for such purposes.

Sect. 4. Conduct of Activities

The activities of the Corporation shall be exclusively determined by the Board, Officers, employees and agents of the Corporation, including the decision to conduct activities in a specific Congressional District and the particular activities that are conducted therein. Furthermore, the activities of the Corporation shall not be made in consultation or in coordination with members of the Republican House leadership, any other

members of or candidates for Congress, the National Republican Congressional Committee, the National Republican Senatorial Committee, the Republican National Committee, any other political party, any other political party committee, or any of their staff or agents. Finally, none of the funds raised at a fundraising event with the assistance of a member of Congress shall be used in that member's Congressional district during that election cycle.

Sect. 5. Limitation on Contribution

The Corporation shall only accept contributions where the source of which is a citizen of the United States.

ARTICLE VII
Amendments to the Bylaws

Sect. 1. Amendments to the Bylaws

The Bylaws may be amended, by a majority vote, at any duly called meeting of the Board of Directors. Written notice of the proposed amendment shall be mailed to the members ten days before the meeting at which the amendment is to be proposed.

ARTICLE VIII
Rules of Procedure

Sect. 1. Rules of Procedure

Robert's Rules of Order, Newly Revised, shall be the parliamentary authority for all matters not covered by the Articles of Incorporation, Bylaws or resolutions of the Members and Board of Directors.

THE ABOVE BYLAWS WERE ADOPTED THIS ____ DAY OF _____, 1999.

Co-Chairman

Co-Chairman

Secretary-Treasurer

Commonwealth of Virginia



STATE CORPORATION COMMISSION

Richmond.

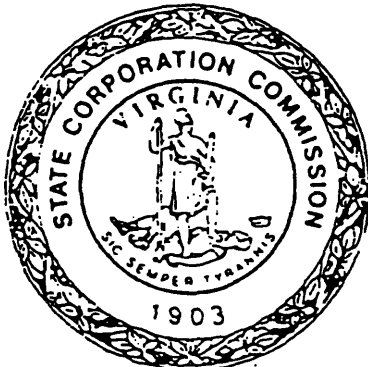
November 12, 1996

This is to Certify that the certificate of incorporation of

U.S. Family Network

*was this day issued and admitted to record in this office
and that the said corporation is authorized to transact its business
subject to all Virginia laws applicable to the corporation and its
business. Effective date:*

November 12, 1996



State Corporation Commission

William J. Bridge
Clerk of the Commission

ARTICLES OF INCORPORATION
OF
U.S. FAMILY NETWORK

The undersigned hereby adopts the following Articles of Incorporation to form a nonstock, nonprofit Corporation under the provisions of Chapter 10 of Title 13.1 of the Code of Virginia, and to that end sets forth the following:

ARTICLE I

NAME

The name of the Corporation is U.S. Family Network, hereinafter referred to as the "Corporation."

ARTICLE II

PURPOSES AND POWERS

(A) Purposes: The purposes for which the Corporation is organized are to promote social welfare by educating the public, its leaders, the media, and government officials, on the formulation of public policies which are favorable for American families, the economic prosperity, social improvement, moral fitness, and general well being of the United States. Such policies include, but are not limited to, those related to tax policy, monetary and budget issues, business, general economic growth, health, education and welfare, trade and foreign policy, and individual rights. These purposes of the Corporation are to be accomplished as follows:

(1) By engaging in analysis, study, research, and writing, and by distributing the results thereof to the general public, including its civic and business leaders, its elected and appointed officials, the media, and other interested individuals and organizations, through various means of communications, including letters, briefings, reports, studies, monographs, and other educational materials and media.

(2) By supporting policies and programs at the national, state, and local levels, including the adoption, rejection, repeal or modification of laws, ordinances, and regulations in furtherance of the above-stated purposes:

(3) By sponsoring and supporting public discussion of these issues through groups, forums, panels, lectures, symposiums, seminars, debates, and other similar events to which interested individuals and organizations and members of the public will be invited; and

(4) By working with other organizations and individuals in furtherance of the above-stated purposes.

(B) Powers: In addition to the foregoing objects and purposes, the Corporation shall have all of the specific, general, and incidental powers granted to it under Chapter 10 of Title 13.1 of the Code of Virginia and other laws of the Commonwealth of Virginia, and the Corporation is empowered to do all and everything necessary, suitable and proper for the accomplishment, attainment, or furtherance of its purposes, subject to the limitation that:

(1) The Corporation is a nonprofit corporation organized without capital stock:

(2) No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its Directors, Officers, members, or other private persons, except

that the Corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Section (A) of this Article; and

(3) Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on by a corporation exempt from federal income tax under Section 501(c)(4) of the Internal Revenue Code of 1986, or corresponding section of any future federal tax code.

ARTICLE III

MEMBERS

The Corporation shall have such members or classes of members as may be prescribed in the Bylaws of the Corporation.

ARTICLE IV

INITIAL BOARD OF DIRECTORS

The number of Directors constituting the initial Board of Directors shall be three (3), and the names and addresses of the persons who are to serve as the initial Directors are:

Christopher Geeslin
7915 Ruuny Meade Rd.
Frederick, MD 21702

Len Phelps
P.O. Box 1170
Republic, WA 99166

Brett Leonard
1188 Old Kettle Falls Rd.
Republic, WA 99166

The Directors of the Corporation shall elect their successors in accordance with the Bylaws of the Corporation.

ARTICLE V

DURATION

The period of duration of the Corporation shall be perpetual.

ARTICLE VI

INDEMNIFICATION

The Corporation shall indemnify each of its Directors and Officers, whether or not then in office, and his executor, administrator, and heirs, against all reasonable expenses actually and necessarily incurred by him, including but not limited to, judgments, costs and counsel fees, in connection with the defense of any litigation, including any civil, criminal or administrative action, suit or proceeding, to which he may have been made a party because he is or was a Director or Officer of the Corporation. The right to indemnity shall also apply to claims or suits which are reasonably compromised or settled. The right to indemnity shall also apply to Directors for liability arising from the acts of any agent or employee selected by the Directors with reasonable care, or for liability arising from any act of omission of any other Director.

No person shall have a right to reimbursement, however, in relation to matters as to which he has been adjudged liable to the Corporation for misconduct in the performance of his duties. The foregoing right of indemnification shall be in addition to, not exclusive of, all other rights to which such Director or Officer may now, or in the future, be lawfully entitled, including those under Chapter 10 of Title 13.1 of the Code of Virginia.

ARTICLE VII

LIABILITY OF DIRECTORS AND OFFICERS

In any proceeding brought in the right of the Corporation, the damages assessed against a Director or Officer of the Corporation arising out of a single transaction, occurrence, or course of conduct shall not exceed \$1,000.

Notwithstanding any other provisions of this Article, the liability of a Director or Officer shall not be limited if the Director or Officer engaged in willful misconduct or a knowing violation of the criminal law.

ARTICLE VIII

DISSOLUTION

In the event of the dissolution, liquidation or winding up of the business and affairs of the Corporation, whether voluntary or involuntary or by operation of law, the Board of Directors shall, after paying or making provision for the payment of all proper liabilities of the Corporation, dispose of all of the assets of the Corporation exclusively for the purposes of the Corporation in such manner, or to such corporation(s) or organization(s) then exempt under Sections 501(c)(4) or 501(c)(3) of the Internal Revenue Code, or corresponding sections of any future federal tax code, as the Board of Directors shall determine. Any such assets not so disposed of shall be disposed of by the Circuit Court for Fairfax County, Virginia exclusively for such purposes or to such corporation(s) or organization(s), as said Court shall determine, which are organized and operated exclusively for such purposes.

ARTICLE IX

INITIAL REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation is 8180 Greensboro Drive, Suite 1070, McLean, Virginia 22101, and the office is located within the County of Fairfax. The initial registered agent of the Corporation is William J. Olson, a citizen of the Commonwealth of Virginia and a member of the Virginia Bar, whose business address is the same as the registered office. ^{State}

ARTICLE X

INCORPORATOR

The name and address of the incorporator is as follows:

John S. Miles
William J. Olson, P.C.
Suite 1070
8180 Greensboro Drive
McLean, Virginia 21202

IN WITNESS WHEREOF I have signed and acknowledged these Articles of Incorporation this 8th day of November, 1996.


JOHN S. MILES